

City Council Introduction: 1-22-18

BILL NUMBER: 18R- 13

Public Hearing: 1-29-18

Date Factsheet Prepared: 1-10-18

### FACTSHEET

**Instructions:** If a question does not apply, just put "NA". Please try to keep it to **ONE** page only. Submit **one original**, with your Request Form, to City Clerk.

**TITLE:** Consent to Assignment Agreement

**BOARD/COMMITTEE:**

**APPLICANT:** City Attorney

**RECOMMENDATION:** Approval

**STAFF RECOMMENDATION:** Approval

**OTHER DEPARTMENTS AFFECTED:**

**SPONSOR:**

**OPPONENTS:**

#### REASON FOR LEGISLATION

Approving the Consent to Assignment Agreement between the City of Lincoln and SMG to provide that SMG Holdings, Inc. will merge with Onex Corporation in January 2018. Said merger will not result in any change in the management and operations of SMG, and SMG will remain the manager under the Agreement.

#### DISCUSSION / FINDINGS OF FACT:

Pursuant to the Second Management Agreement ("Agreement") dated August 5, 2016, between the City and SMG, the City engaged SMG to serve as manager of the Facilities as defined in the Agreement. The Agreement states at Section 33.1, the City may expressly approve an assignment of the Agreement by reason of a "merger, consolidation, sale, transfer of assets, or otherwise" with respect to SMG. SMG is a general partnership, whose partners are wholly-owned and controlled by SMG Holdings, Inc. The Shareholders of SMG Holdings, Inc. have entered into a merger agreement whereby SMG Holdings, Inc. will be acquired by an entity controlled by Onex Corporation ("Transaction"). The Transaction is expected to close in January 2018, will not result in any change in the management and operations of SMG, and SMG will remain the manager under the Agreement.

**POLICY OR PROGRAM CHANGE:**  Yes  No

#### OPERATIONAL IMPACT ASSESSMENT:

**COST OF TOTAL PROJECT:** \$0

#### RELATED ANNUAL OPERATING COSTS:

#### SOURCE OF FUNDS:

CITY:

NON CITY:

**FACTSHEET PREPARED BY:** Christopher J. Connolly

**DATE:** 1-10-18

**REVIEWED BY:**

**DATE:**